

VZCZCXRO0950  
PP RUEHDBU  
DE RUEHNT #1707 2711029  
ZNY CCCCC ZZH  
P 281029Z SEP 07  
FM AMEMBASSY TASHKENT  
TO RUEHC/SECSTATE WASHDC PRIORITY 8533  
INFO RUEHAH/AMEMBASSY ASHGABAT 3304  
RUEHTA/AMEMBASSY ASTANA 9492  
RUEHBJ/AMEMBASSY BEIJING 1048  
RUEHEK/AMEMBASSY BISHKEK 3918  
RUEHDBU/AMEMBASSY DUSHANBE 3783  
RUEHBUL/AMEMBASSY KABUL 1917  
RUEHVEN/USMISSION USOSCE 2051  
RHEFDIA/DIA WASHDC  
RUEAIIA/CIA WASHDC  
RHMFISS/DEPT OF ENERGY WASHINGTON DC  
RHEHNSC/NSC WASHINGTON DC  
RUCPDOG/DEPT OF COMMERCE WASHDC

C O N F I D E N T I A L TASHKENT 001707

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TAGS: [EMIN](#) [KNNP](#) [ENRG](#) [ETRD](#) [ECON](#) [CH](#) [UZ](#)  
SUBJECT: CHINESE LOOK TO BUY UZBEK URANIUM

REF: TASHKENT 1682

Classified By: CLASSIFIED BY ECON OFF B. OLSEN FOR REASONS 1.4 (B, D).

¶1. (C) Nukem Inc. Head of Office, Yevgeny Onokhin, told econoff the Chinese have quietly started talks with Uzbekistan to purchase uranium. (Note: A Chinese congressional delegation reportedly was in Tashkent September 6-10. End note.) He said the Chinese want to sign a long-term contract to purchase 500 tons per year. Onokhin added if a deal is made, the Kazakhs will make it public, as a Kazakh transit license is necessary and, in his opinion, they do not want Uzbekistan to compete with their uranium exports to China.

¶2. (C) Comment: The Uzbeks already committed to sell Itochu, a Japanese firm, 300 tons in 2007, with the option of selling the same through 2011 (reftel). According to Nukem's contract with Uzbekistan, the government can sell no more than 300 tons per year without using Nukem as an intermediary. In order to meet the Chinese request, Uzbekistan must violate both its contracts with Itochu and Nukem. This Uzbek-Chinese deal might not come to fruition, but the action demonstrates the Uzbek Government's indifference to the inviolability of business contracts as it seeks to maximize profit from natural resources.  
NORLAND